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BAGHDAD FOR DAVID HOWELL  
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E.O. 12958: N/A  
TAGS: [ETTC](#) [IZ](#) [KOMC](#) [OTRA](#) [PARM](#) [PREL](#)  
SUBJECT: BLUE LANTERN: IRAQ END-USE MONITORING AND NDAA  
SECTION 1228

¶1. Summary: A joint DOS Blue Lantern/DoD Golden Sentry team visited Iraq February 24-28 for consultations on end-use monitoring (EUM) of U.S.-provided or licensed defense articles, and NDAA Section 1228 compliance. The joint team met with Iraqi MOD, Counter-Terrorism Bureau and Special Operations Forces, and with the Security Assistance Office (SAO) for the Multi-National Security Transition Command Iraq (MNSTC-I), J4, U.S. Embassy Baghdad Political-Military Affairs Section, as well as U.S. military transition teams. In addition to working to develop a standard operating procedure (SOP) on NDAA Section 1228 compliance, discussions focused on EUM of night vision devices (NVDs). Significant challenges with NVD accountability in Iraq remain, particularly given ongoing combat deployments of the equipment with Iraqi Security Forces (ISF) units. End Summary.

¶2. Background: Administered by the Office of Defense Trade Controls Compliance (PM/DTCC) in the Bureau of Political-Military Affairs, Blue Lantern is a global program designed to verify the end-use, end-users, and disposition of defense articles, technology, and services exported under a Department of State authorization pursuant to the Arms Export Control Act (AECA) and the International Traffic in Arms Regulations (ITAR). In effect since October 23, 2008, the National Defense Authorization Action (NDAA) of 2008, Section 1228 mandates the development of a "registration and monitoring" system for all lethal defense articles provided to Iraqi end-users. Specifically, NDAA Section 1228 requires the registration of serial numbers of all small arms provided to the government of Iraq or to other groups, organizations, citizens and residents of Iraq, as well as an "end-use monitoring" program for all "lethal defense articles" provided to "such entities or individuals." As both direct commercial sales (DCS) licensed by the Department of State and Foreign Military Sales (FMS) under Department of Defense authorities are affected, a joint DOS-DOD team was composed to conduct a joint end-use monitoring (EUM) and NDAA Section 1228 compliance assessment. Research and Analysis Division Chief Ed Peartree and Compliance Specialist for Iraq Monitoring Kyle Ballard from PM/DTCC represented the Department. CENTCOM Golden Sentry Program Manager Chuck Handal and CENTCOM EUM Officer Lt. Commander Martin Thomas represented the Department of Defense, Defense Security Cooperation Agency (DSCA)

¶3. Team began the visit with MNSTC-I SAO EUM team Major Gene Beltran and Captain Steven Moore. Beltran and Moore described their roles within MNSTC-I SAO organization as

primarily working FMS cases for Iraqi forces and related EUM; they noted that since the release of NDAA Section 1228 they have been following DCS weapons and night vision devices (NVDs) as well and had developed an SOP for Section 1228 compliance.

¶4. Iraqi Special Operations Forces (ISOF) HQ visit: DOS/DOD team and MNF-I Special Operations Iraqi Transition Team (SOITT) Lt. Col. Nelson and ordnance officer Major Kevin Groth met with Deputy Commander of the ISOF Brigadier General Falah and Colonel Husayn. DOS/DOD team toured ISOF arms rooms and reviewed weapons accountability procedures. Security and inventory control procedures for ISOF arms rooms were well established and ISOF appeared to stress strict adherence. Both U.S. infantry weapons and NVDs (U.S.-made AN-PVS 7, 10, 14, and 17) were observed. SOITT and ISOF were cognizant of U.S. EUM requirements. Nearly all U.S.-provided NVDs in Iraq are provided to Special Operations units; General Falah stressed the criticality of night vision capability to their operations. Major Groth outlined key challenges such as the need for better maintenance, repair, and stockage of spare parts (particularly image intensification tubes). Currently there is limited capability for maintenance and repair, and a significant backlog of damaged equipment. Anham, a U.S. contractor, has a contract to do repair/maintenance at the Taji National Depot Complex, but ISOF has limited access and significant logistics challenges as Taji is many miles away. In addition, Anham has no repair parts on the shelf (bench stock), and is currently unable to perform NVD maintenance until parts can be ordered and received. This lack of service/bench stock had led to the inadvertent provision of replacement tubes over the 1250 Figure of Merit (FOM) limit allowed for export to non-US forces -- a problem identified by an October 2008 DOD Inspector General team and resulting in a 15-6 report (violation).

¶5. DOS-DOD team met separately with SOITT to discuss these continuing problems and identify a way forward. MNSTC-I SAO had issued a fragmentary order (FRAGO) to all U.S. training forces warning about providing tubes from US stocks into Iraqi NVDs. (Comment: all DOS authorizations for export of NVDs include provisos strictly prohibiting export of any NVDs with FOM above 1250 and requiring end-user to sign a statement of compliance with these restrictions. It is unclear, however, that these are being provided to Iraqi end-users or that the statements of compliance are being fulfilled.) An ideal solution would be an on-site service facility with an appropriately licensed agreement to provide services/spare parts. Such a facility should be managed and funded by the Government of Iraq.

¶6. Iraqi MOD (IMOD) Central Auditing Office: Team provided an end-use monitoring briefing for Brigadier General Hakim, Brigadier General Asam, and the Director General of Acquisition and Supply. Central Auditing is the IMOD focal point for managing disposition of weapons and other defense articles; Central Auditing had been working with MNSTC-I SAO team on tracking NVDs provided to the Iraqi Security Forces (ISF) by the United States. The Director General of Acquisition and Supply manages logistics, procurement and distribution of defense articles for ISF. Weapons and other defense articles to be provided by USG to ISF are logged and inventoried on arrival to Taji in depot property books and again, jointly, when they are distributed to ISF. (Comment: Taji National Depot Complex - Supply Depot, per MNSTC-I policy statement #03-08, March 24, 2008, serves as principal depot for distribution of all U.S.-provided defense articles to the ISF.) Distribution to the ISF unit level is also subject to regular inventory verification procedures through an established chain of command. Any damaged, lost, or stolen equipment is reviewed by an investigative committee which assesses responsibility and punitive action. The General assured that strict weapons security measures were in place to prevent loss and theft.

¶7. DOS-DOD EUM team visited Iraqi Counter-Terrorism Bureau (CTB) to provide an EUM brief and discuss Section 1228

requirements, as well as share the details of our NVD accountability discussion with ISOF. CTB is the central bureau under which ISOF operates.

¶18. MNSTC-I SAO and J4 discussions: Team discussed way forward and challenges for EUM in Iraq with MNSTC-I SAO Chief of Staff Colonel Russ Kern. Blue Lantern representatives emphasized that DOS compliance with Section 1228 will require close coordination with and support from MNSTC-I; this was outlined in PM A/AS Ruggiero,s August 29, 2008 letter to DSCA Director Admiral Wieringa. Colonel Kern confirmed that SAO EUM team will be POC and requested that Department of State clearly articulate needs from SAO EUM. Blue Lantern team envisioned that Blue Lantern cables would be sent from Washington to Embassy Baghdad Political-Military Affairs section requesting end-use checks on exports of lethal defense articles; Pol-Mil section would then coordinate with MNSTC-I SAO EUM team and J4. Given that DCS NVDs are being provided in support of ISF, and are not subject to DSCA Golden Sentry enhanced end-use monitoring as FMS NVDs are, Kern suggested that SAO EUM would be able to perform checks on these items incidentally while doing their mandatory FMS EUM. Kern also emphasized the challenges of performing EUM in non-permissive environments where combat operations involving MNF-I and ISF forces are continuing; agreement was made that reporting standards be qualified to include "as security environment, force protection posture, and resources permit."

¶19. J4 Property Accountability Section Chief LTC Sharon Johnson described how serial numbers for all U.S.-provided weapons and other defense articles contracted by the Joint Contracting Command - Iraq (JCC-I) for provision to ISF -- whether FMS or DCS -- are sent to MNSTC-I J4 Property Accountability Section. U.S. brokered foreign weapons purchased with USG funds would also be included, as they would pass through JCCI/MNSTC-I. When new weapons arrive, notification via Delivery Document (DD-250) is emailed to J4 with serial numbers. Other serialized items -- NVGs, vehicles, etc. are also logged and all items are uploaded into a database which includes origin, delivery date, item description, end-user and other relevant information. Non-serialized items are also logged (e.g., uniforms) as "issue logs." DCS weapons and other USML items to be used by private security firms would not/not be logged if they are not under JCC-I contract. On a quarterly basis, all weapons serial numbers logged by J4 are forwarded to Army Logistics Command (LOGSA) and to DSCA Golden Sentry. Abu Ghraib warehouse is soon closing and the Baghdad Police College will be the distribution point for the Iraqi MOI.

¶110. J4 conveyed to Blue Lantern team that it is able and willing to verify DCS exports for which it has records by matching serial numbers provided to DDTC by exporters with those collected via DD-250 in the J4 database. Following verification of export in Washington, DDTC will forward serial numbers to J4 via email to confirm receipt and delivery to appropriate ISF end-users.

¶111. Embassy Baghdad Political-Military Section: Blue Lantern team briefed Political-Military Affairs Minister-Counselor Michael Corbin and officers Natalie Ahn and David Howell on NDAA Section 1228 requirements and implications for Embassy Baghdad,s Blue Lantern responsibilities. Corbin asked about the expected increase in volume of Blue Lantern end-use checks that would be sent to Embassy and sought clarification on the scope of the law. Peartree indicated that based on recent licensing volume, the number of Blue Lantern requests would not be excessive, and that Blue Lanterns pursuant to NDAA Section 1228 would generally be initiated for USG-funded weapons supplied to Iraqi end-users; defense articles acquired through FMS -- which we expect to be the bulk of future weapons exports -- would fall under the jurisdiction of DOD,s Golden Sentry EUM program. Similarly, weapons and other U.S. Munitions List (USML) items provided under DOS license for private security contractors -- the bulk of recent licensed exports to Iraq -- would not in most cases require Blue Lantern action in Baghdad, as DDTC would work

directly with U.S. companies/exporters to obtain necessary information and end-use assurances.

¶12. Hotwash: Reviewing findings and outlining way forward. Joint Blue Lantern and Golden Sentry team met with MNSTC-I and Embassy Baghdad representatives to review visit and outline an SOP for end-use monitoring in Iraq. Peartree emphasized that though there were different means to an end, both DSCA (Golden Sentry) and DOS Blue Lantern program were focused on the same mission: accountability and security of defense exports to Iraq. As a notional SOP for Blue Lantern end-use monitoring of DCS exports subject to NDAA Section 1228, the following guidance was outlined:

Following confirmation of shipment of lethal defense articles licensed by the Department of State for Iraqi end-users, a Blue Lantern cable will be sent from Washington to Embassy Baghdad (Political-Military Affairs).

DDTC will also forward to Embassy Baghdad, via email, an excel spreadsheet including serial numbers of lethal defense articles in the subject export.

Embassy Baghdad will coordinate with MNSTC-I SAO EUM and J4 team to confirm receipt of the subject lethal defense articles and verify that they have been delivered to the appropriate ISF end-users identified in the Blue Lantern cable.

Embassy Baghdad will also forward serial numbers spreadsheet to MNSTC-I J4 to verify and match the serial numbers provided to DDTC at export with those received in Iraq.

Results of the Blue Lantern check will be cabled back to Washington by Embassy Baghdad.

DCS exports licensed by the Department of State to private security contractors will generally be handled directly with license applicant by DDTC in Washington, though they may, from time to time, require Blue Lantern checks in Iraq.

¶13. Efforts to gain accountability of both FMS and DCS NVDs in Iraq will continue. Limited responses to the first FRAGO would hopefully improve following a second FRAGO (deadline March 15) sent out across MNSTC-I seeking accountability of USG-provided NVDs within ISF units. Embassy Baghdad Pol-Mil officer David Howell asked Colonel Kern to provide a timeline by which a baseline would be established for NVDs; estimates of the number of NVDs provided to ISF during the past several years varied widely and accountability will remain elusive until a unit by unit inventory can be taken. Peartree emphasized that since the DCS NVDs licensed under the Department's authorities were not subject to DSCA Golden Sentry EUM requirements and the SAOs end-use monitoring checks, DDTC is dependent on regular reporting of loss, theft or unauthorized access stipulated in DOS license provisos; Iraqis will need to provide this reporting to keep us apprised of security problems and avoid more serious problems in the future that could jeopardize DCS NVD exports.

¶14. Comments: Blue Lantern team is confident that Blue Lantern checks in Iraq pursuant to NDAA Section 1228 can be successfully completed by Embassy Baghdad working with MNSTC-I SAO EUM and J4 contacts. Given that the ISF conversion from legacy Warsaw Pact infantry weapons (e.g., AK-47 rifles) to NATO-standard will largely be completed via FMS, we do not anticipate a significant increase in DCS exports subject to NDAA Section 1228 requirements. EUM for NVDs remains a challenge; working with U.S. exporters and Iraqi end-users to ensure compliance with license provisos, and assistance from SAO EUM team in Baghdad will help improve accountability and controls. We will also work to improve compliance with NVD provisos in Washington by reinforcing requirements imposed on license applicants to ensure end-user understandings of USG law, regulation and policy.

¶15. Washington expresses gratitude for the excellent support provided by Embassy Baghdad Political-Military Affairs Officers Natalie Ahn and David Howell, and MNSTC-I Major Gene Beltran (USAF) and Captain Steve Moore (USAF).

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